

304.9-710 Written authorization between reinsurance intermediary broker and an insurer.

Transactions between a reinsurance intermediary broker and the insurer it represents in that capacity shall only be entered into pursuant to a written authorization specifying the responsibilities of each party. The authorization shall, at a minimum, contain provisions that:

- (1) The insurer may terminate the reinsurance intermediary broker's authority at any time;
- (2) The reinsurance intermediary broker shall render accounts to the insurer accurately detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing, to the reinsurance intermediary broker, and remit all funds due to the insurer within thirty (30) days of receipt;
- (3) All funds collected for the insurer's account shall be held by the reinsurance intermediary broker in a fiduciary capacity in a bank which is a qualified United States financial institution;
- (4) The reinsurance intermediary broker shall comply with KRS 304.9-715;
- (5) The reinsurance intermediary broker shall comply with the written standards established by the insurer for the cession or retrocession of all risks; and
- (6) The reinsurance intermediary broker shall disclose to the insurer any relationship with any reinsurer to which business will be ceded or retroceded.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 155, sec. 3, effective July 14, 1992.